DOCUMENT RESUME

ED 224 510 JC 820 549

AUTHOR McIntyre, Chuck
TITLE Contingency Fee Plan.
INSTITUTION California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE Dec 82
NOTE 47p.; Report prepared for discussion at the meeting of the Board of Governors of the California Community Colleges (San Francisco, CA, December 9-10, 1982).
PUB TYPE Viewpoints (120)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Access to Education; College Planning; *Community Colleges; Educational Finance; *Educational Policy; Fees; *Financial Problems; *Statewide Planning; Student Costs; *Student Financial Aid; *Tuition; Two Year Colleges
IDENTIFIERS *California Community Colleges

ABSTRACT

A contingency fee plan proposed for discussion and adoption by the Board of Governors of the California Community Colleges is presented, followed by a detailed discussion of the plan and its implications. Both the plan and discussion cover: (1) a reaffirmation of the Board's opposition to tuition and general fees; (2) an emphasis on the need for increased financial aid to maintain student access to the community college and a discussion of the mechanisms for distributing aid in the event that fees become necessary; (3) an acknowledgement of the gravity of the current fiscal crisis and a discussion of its potential effect on the community colleges; (4) an examination of the implications of general or emergency fee increases in terms of enrollment losses and ways of off-setting these losses through increased financial aid; (5) an assessment of the possibility of charging for courses taken for personal interest as a way of imposing new fees; and (6) a recommendation that if an emergency fee becomes necessary it should be limited and uniform across all community colleges and that it be accompanied by financial aid for those who cannot afford the fee. Appendices provide data tables showing changes in the cost of living, personal earnings, and student financial aid from 1976 to 1981 and discussions of the estimated impact of fee alternatives, elements of the current financial crisis, and existing student fees in California community colleges. (HB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED224510

JC 820 549

Board of Governors of the
California Community Colleges
December 9-10, 1982

Title: Contingency Fee Plan

Staff Presentation: Chuck McIntyre, Director
Analytical Studies

Summary

1. This item presents a proposed contingency fee plan for Board discussion and adoption.

2. The proposed Plan begins with a reaffirmation of the Board's basic opposition to a general tuition or fee. The policies of low cost and open admission have enabled California community colleges to achieve the objective of access. However, student costs have increased and financial aid decreased to such an extent that new aid is necessary in order to maintain access.

   This is followed by discussion of current fiscal constraints. Tax revenues may not be sufficient to enable community colleges to continue to offer quality programs and services.

   The remainder of the Plan would set forth the Board's preferred policies for new fees, if the Legislature decides fees are necessary because of fiscal constraints. If a new fee is imposed by the Legislature, staff proposes that first consideration be given to charging a specific fee to just those students whose objectives are personal and not in the public interest. Less desirable is a general fee charged to all students. However, if the Legislature enacts a general fee, it should be a short-term, limited, emergency fee charged to all students at a uniform rate.

   Any new fee must be accompanied by adequate campus-based financial aid for those unable to pay the added cost. Revenues from new fees should be used for general purposes and to supplement tax revenues. Individual district revenues should be controlled against excessive losses.

   If the Legislature imposes new fees for educational services, there is also a need to reform and make more equitable the existing structure of student fees for ancillary services.

3. The Board has discussed various aspects of the fee contingency plan at July, August, October and November meetings. Following Board adoption, the Plan will be transmitted to the Postsecondary Education Commission, Legislature, and other interested parties.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

G. Hayward
California Community Colleges

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.
✓ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

Recommended Action

It is recommended that the Board adopt the proposed contingency fee plan that appears on pages 3 through 6 of this item.

PROPOSED CONTINGENCY FEE PLAN

Oppose Tuition and General Fees

The Board of Governors reaffirms its opposition to tuition and general fees. The policies of low cost and open admissions have enabled California community colleges to provide opportunities for postsecondary education to economically disadvantaged Californians in a way that is virtually unparalleled in the history of the United States.

Those enrolled in California community colleges are from the same or lower income categories than are the taxpayers who pay for part of that education through tax subsidies. Therefore, the colleges provide what can be termed a "progressive" redistribution of opportunities to low income individuals who historically, have not received a postsecondary education.

Increase Financial Aid

In order to maintain the Board's commitment to access, increased financial aid for community college students must accompany increases in the cost of their enrollment. Since 1977, the cost of enrollment has increased by more than 50 percent. During the same five-year period, the financial aid made available for community college students has declined by more than one-fourth. While most community college students work, their ability to pay for college from other sources of income has remained relatively constant. As a result, community college students are far less able to pay for their education today than was the case five years ago.

Our research shows that a ten percent increase in costs for community college students likely results in at least a six percent decrease in enrollment. The Board's commitment to access requires attention to the financial needs of those students who can no longer afford to pay. Existing aid programs will have only a modest impact in this regard. The largest of these programs, Pell Grants, would provide for no more than half the additional cost of a fee or tuition and only for those low income students enrolled more than half time.

New or increased financial aid should be provided in the form of grants that are distributed through existing campus-based financial aid delivery systems. Use of campus-based delivery systems would be less expensive and more effective than either a "waiver" or a "Pell Grant" or "Cal Grant B" mechanism.

Equally important, additional support for financial aid management must be provided so as to identify and aid those in need. The California policy of low-cost community colleges has resulted in less emphasis on financial aid and financial aid management than is the case in most other postsecondary education institutions. Overall, only one in every ten students enrolled receive financial aid. Twice this number are

eligible. For a variety of reasons, many students do not apply and others do not complete the application process. This is due to currently-inadequate aid levels and delivery systems. The results are lower academic loads, higher attrition rates and significant personal sacrifice. Any increase in financial aid activity will require added support of college financial aid operations. Without such added support, it will not be possible to effectively identify those in need and distribute any new aid grants.

Acknowledge the Fiscal Crisis

The Board recognizes the gravity of the current fiscal crisis. There may not be sufficient tax revenues to provide community colleges a reasonable cost-of-living adjustment (COLA) for 1983-84. If not, and if efforts to secure and use alternative sources of financial support (including state and local taxes and district reserves, among other sources) are not adequate, there will be a further decline in the quality of community college programs and services.

Community college buying power has declined by nearly one-third in the past five years. The combined effect of fewer budget reserves and less annual income puts community colleges in their most precarious fiscal position in over a decade.

A potential reduction in current-year funding as of much as eight percent, due to the State General Fund deficit, followed by a second-year (1983-84) without a cost-of-living adjustment would produce an intolerable decline in program quality for community colleges.

While the immediate fiscal crisis could ease after next year, the existing tax structure may not produce revenue sufficient to support the cost-of-living and enrollment increases that community colleges anticipate during this decade. If so, efforts should be undertaken to secure all alternative sources of revenue, before consideration is given to the use of new student fees.

If, however, the Legislature decides to impose a new fee, the Board of Governors recommends that the fee be charged to just those students whose objectives are personal and not in the public interest. In order to implement such a policy, students could be provided a certain amount of tuition and fee-free postsecondary education, after which they would pay for part of the cost of additional education. An alternative is to charge students who do not matriculate as an approximation of objectives that are largely personal-interest. Matriculation typically involves the processing of student transcripts, student assessment, academic advisement and other services.

Consistent with the Board's commitment to equal access, there also is a need to insure that students who enroll have the opportunity to develop those skills necessary for the successful completion of college work.

This commitment to quality demands greater attention to the assessment of skills, academic advisement, and counseling of students. These services are costly, but necessary if the California community colleges are to most effectively utilize the public support provided by taxpaying Californians.

Less preferred is the use of a general student fee as an alternative source of revenue. If the Legislature enacts such a fee, it should be considered as an emergency fee that is restricted to 1983-84 with a review, during the Spring of 1984, of the need for continuing the fee.

Such an emergency fee should be limited and be a uniform charge to all students in all districts. A uniform fee is preferable to a fee that is tied to academic load, unless a very high fee is charged, in which case, some differential for load would be appropriate. A fee tied to academic load would result in disproportionate losses among full-time students who tend to be middle and low income. Mandated fees, to be charged by all districts, would appear to be both more equitable and more practical than a permissive fee that would be charged by some districts and not others.

Revenues from the fee should be used to supplement, not simply substitute for, public tax revenues. And, to be most effective, added revenues should be allocated to general educational purposes, as determined by the local districts, rather than being restricted to specific purposes. Revenues also should be controlled so as to prevent excessive losses for individual districts.

Any new fee adds to the student's cost and as noted above, must be accompanied by financial aid grants for those unable to pay the fee. Otherwise, access cannot be maintained. If a uniform fee is charged, it may be necessary to expand aid eligibility criteria to cover low income students who take one or two courses and who don't receive aid currently.

Finally, there should be adequate support for fee collection costs due to the need for greater security, more supervision and procedures for refund and deferments, among other additional activities. Failure to cover these added costs would result in further deterioration in community college funding and, therefore, would detract from the very purpose for which fees are being considered.

Reform Existing Fees

If the Legislature enacts a new fee for educational services, the structure of existing permanent fees for ancillary services should be reformed. This can be accomplished by making the fees mandatory (if the services are offered) and setting fees equal to the cost of those services.

Existing permissive fees have nearly tripled since the passage of Proposition 13 (1978). However, many districts still charge less than the amounts authorized and there is evidence that tax revenues subsidize these services in many districts. Total fee levels vary substantially from district to district. Students pay for parking in some districts but not in others. Equity in the charging of fees for ancillary services should be sought prior to the charging of fees for educational services.

OPPOSE TUITION AND GENERAL FEES

Since its organization in 1968, the Board of Governors of the California Community Colleges has opposed the use of a general tuition or fee. The policy of low cost education along with open admissions has enabled California to achieve the objective of access or equal opportunity for postsecondary education.

California community colleges provide a level of access that is unparalleled across the country. California community colleges enrolled one out of every 12 California adults (or one of every 17 total population) during the Fall of 1980. The average state enrolled one in every 67 of its population in a community college during Fall 1980. (See Chancellor's Office Analysis of Tuition and Fees, December, 1981.)

Those enrolled in California community colleges are from the same or lower income categories than are those who pay for part of that education through tax subsidies. (See Chancellor's Office Analysis of Tuition and Fees, December, 1981.) Therefore, the colleges provide what can be termed a "progressive" redistribution of postsecondary education opportunities, the essence of access. Opportunities are provided to those low income individuals who, traditionally, have not obtained a postsecondary education.

INCREASE FINANCIAL AID

In order to maintain the Board of Governors' commitment to access, increased financial aid for community college students must accompany increases in the cost of their enrollment. This cost, including books, supplies, fees, transportation and, for some, child care has increased substantially in recent years. Since 1977, the prices of these items have increased by well over 50 percent (See Appendix A). During the same five-year period, financial aid available to community college students has declined by 18 percent and enrollment has increased by 14 percent. While most community college students work, their ability to pay for college from other sources has remained relatively stable. As a result of these several trends, community college students are far less able to pay for their education today than was the case five years ago.

Financial Aid Grants

Our research shows that a ten percent increase in costs for community college students likely will result in at least six percent decrease in enrollment. (See Chancellor's Office Analysis of Tuition and Fees, December 1981.) Many students will withdraw because they cannot afford to pay the added cost. Observance of the Board's commitment to access requires attention to the financial needs of these students. Existing aid programs will have only a modest impact in this regard. The largest of these programs, Pell Grants, provides aid for not more than half of any fee or tuition increase and for only those students who are enrolled more than half time.

A fee increase affects the enrollment decisions of those students who are low or middle income and can no longer afford the cost of their education. A number of other students, presumably those with upper-middle or high incomes, also will decide not to enroll when a fee is imposed. However, their reason for not enrolling is that the education is no longer "worth the cost," since they are still able to pay that cost. Financial aid should be provided to those who feel that their education is still worth the cost, but can no longer afford to pay that cost. This policy may be approximated by introducing enough financial aid that a fee increase affects students in all income categories in the same way.

A fee of $20 per year would result in an estimated enrollment loss of nearly three percent, largely among low income students who are self-supporting (See Appendix B). A higher fee of, say, $54 per year produces an estimated enrollment loss of nearly seven percent. Again, the loss is concentrated among those students who are low income and self-supporting.

Financial aid offsets from existing sources (primarily from Pell Grants) would not be substantial. At the $20 fee charge, for example, less than $1 million in Pell Grants would be forthcoming (assuming that the $20 increase plus other fee increases exceed the $50 minimum cost increase that can be funded by the Pell program). An additional $4 million in new financial aid would be required to eliminate the income or ability-to-pay differences among students who might enroll.

Financial Aid Distribution

Analysis by staff indicates that the use of existing campus-based financial aid mechanisms to distribute additional financial aid would be less expensive and more effective than either a "waiver" or a "Pell Grant" or "Cal Grant B" mechanism.

The use of waivers appears to be the least effective mechanism for accurately determining student financial need because of the documentation required to accurately verify eligibility. In addition, the use of waivers would result in less net fee revenue being collected because some students would forego any added assistance from the Pell Grant program. Finally, a campus waiver process that is implemented separately from existing financial aid programs would result in substantial added administrative costs.

Use of a Pell Grant or Cal Grant B mechanism, where the student applies directly to a source off-campus, would be more effective in identifying student financial need than would the waiver process. However, the off-campus mechanism would be more expensive to administer than would the campus-based effort. In addition, there would still be a need for campus financial aid officers to coordinate and "package" this new source of aid with other existing sources of aid.

Besides being the least expensive and most effective mechanism, campus-based aid might also be the only feasible mechanism if there is very little time to implement such a program after the Legislature takes action on fees.

The California policy of low-cost community colleges has contributed to less emphasis on financial aid and financial aid management in these colleges than is the case in most other postsecondary education institutions. Overall, only one in every ten students enrolled receive financial aid. Twice this number are eligible. For a variety of reasons, many students do not apply and others do not complete the application process. This is due to currently-inadequate aid levels and delivery systems. The results are lower academic loads, higher attrition rates and significant personal sacrifice.

A 1980 College Board survey of those community college students who were dependent upon parental incomes below $12,000 per year (and generally eligible for aid), revealed that only 57 percent had applied for Pell Grants, 30 percent applied for state scholarships, 27 percent applied for institutional aid, and only six percent had applied for loans.

Any increase in current levels of financial aid activity brought about by fees and added aid grants will require added support of college financial aid operations. Without such added support, it will not be possible to effectively identify those in need and distribute any new aid grants.

FISCAL CRISIS

There may not be sufficient tax revenues to provide community colleges a reasonable cost-of-living adjustment (COLA) for 1983-84. If not, and if efforts to secure and use alternative sources of financial support (including state and local taxes and district reserves, among other sources) are not adequate, there will be a further decline in the quality of community college programs.

Community college buying power (constant dollar revenues per student) peaked in 1977-78. (See Appendix C.) In the five years following Proposition 13 (1978), this buying power has declined nearly one-third to about the level that existed in 1970. Over the same decade, commuity college budget reserves have declined by more than one-third, when adjusted for enrollment and price changes.

The combined effect of fewer budget reserves and less annual income puts community colleges in their most precarious fiscal position in over a decade. Such statewide comparisons are of greater concern when it is noted that while a number of community college districts are relatively well-off, about one to two dozen districts are in extreme difficulty.

These difficulties are compounded further by the fact that today's students require more college resources than did the students of ten years ago. Today's students are less prepared (therefore requiring more high-cost remediation) and are more often enrolled in high-cost occupational programs.

No cost-of-living-adjustment (COLA) was provided for 1982-83 community college funding. Current estimates point to a possible $1 billion State General Fund budget deficit during 1982-83. If taxes aren't increased and if this deficit is applied evenly across those programs supported by the General Fund in the second half of the fiscal year, community colleges could face a reduction in current-year funding of as much as eight percent.

A reduction of this magnitude followed by a second-year (1983-84) without a COLA would produce an intolerable decline in program quality for community colleges.

While the immediate fiscal crisis could ease after next year, the existing tax structure may not produce revenue sufficient to support the cost-of-living and enrollment increases that community colleges anticipate during this decade. If so, efforts should be undertaken to secure all alternative sources of revenue (including state and local taxes and district reserves, among other sources) before consideration is given to the use of new student fees.

New Fees

If, however, the Legislature decides to impose a new fee, the Board of Governors recommends that the fee be charged to just those students whose objectives are personal and not in the public interest.

It is difficult to define and measure what is meant by the public interest. However, it may be possible to identify those students whose objectives are totally or primarily personal. This could be the case where the outcome of a student's education is not either transfer to a senior institution, gainful employment, or responsible citizenship.

In order to approximate the personal interest, it may be argued that students ought to be "entitled to" a certain amount of tuition and fee-free postsecondary education. After attaining that amount, students would then be charged for the cost of additional education. Applied to community colleges, this principle could be implemented by charging only those students with degrees (A.A., A.S., B.A. or higher) or only those students who have completed a certain number of units.

Another way of approximating the personal interest is to charge those students who do not matriculate. Matriculation involves the processing of student transcripts, student assessment, academic advisement, and the provision of other services. The presumption is that students who are unwilling to go through the matriculation process are likely to be pursuing objectives that are not in the public interest.

There are numerous difficulties in administering either of these policies. A policy of charging students who have received degrees or completed a certain number of units combined with a "matriculation" experiment in a few pilot districts could adequately address the "personal benefit" policy. Staff is continuing to analyze these alternatives and to explore other ways in which students' objectives may be assessed in order to identify those cases where enrollment is primarily for personal benefit.

Consistent with the Board's commitment to equal access, there also is a need to insure that students who enroll have the opportunity to develop those skills necessary for the successful completion of college work. This commitment to quality demands greater attention to the assessment of skills, academic advisement, and counseling of students. These services are costly, but necessary if the California community colleges are to most effectively utilize the public support provided by taxpaying Californians.

Less desirable is a general fee. However, if the Legislature enacts a general student fee, that fee should be limited to 1983-84 with a Spring 1984 review of the need for continuing the fee.

Despite the current revenue shortfall, policy development must recognize the possibility of future shifts in the economy.

The Legislative Analyst, in a recent report to the Legislature on the current fiscal situation, reported that the economic base of the state would be sufficient to fund prior levels of state activity were it not for the recession. The Analyst projects that when California recovers from the recession there will be sufficient revenues to continue prior programs plus a reasonable inflation adjustment. Although there is some debate among economists about the sufficiency of the economic base, there is little question that the major variable affecting California revenues and hence state expenditures is the state's economic condition.

A strong economic recovery and an expanded tax structure could eliminate the need for a general community college fee. Consequently, a general fee policy should be limited to one year. Continuation of the fee policy would depend upon results of a review to be undertaken during the Spring 1984.

If it becomes necessary to charge a general emergency fee, that fee should be limited and uniform. Review of alternative ways to impose a fee reveals that a uniform fee, particularly if limited in amount, would result in fewer detrimental effects than would a fee that is imposed on a per-unit basis or tied, in some way, to the academic load of students. General fees tied to academic load result in disproportionate losses among full-time students who, often, are from middle and low income backgrounds. A general fee should not create incentives for students to undertake less work than they might otherwise be able to accomplish. A uniform fee also would reflect the cost of processing applications and registering students, a cost that is about the same regardless of their academic load. Only if a general fee is set at a high level, would it be necessary to account for differences in students' academic loads.

A mandatory fee, to be charged by all districts, would appear to be both more equitable and more practical than a permissive fee that would be charged by some districts but not others. A permissive fee would result in some community college students paying for part of their education while other community college students did not, without any apparent rationale. In addition, if neighboring districts employed different fee policies, the resulting changes in student enrollment patterns could pose significant practical problems for planning.

Use of Fee Revenue

To be most effective, the allocation of revenues from any new fee should be for general educational purposes as determined by the local district. Revenues should be applied to those programs and services where the need for added financial support is greatest.

Restricting fee revenues to support services in order to avoid calling the charge a "tuition" is more semantic than substantive. In fact, restricting the use of general fees to other-than-instructional costs may have an adverse long-term impact on instruction if other revenues are scarce. Using student fees to support student financial aid (i.e., other students' costs) is quite different in concept than using fees to support institutional costs, and raises certain equity questions.

If at all possible, fee revenues should be used to improve educational programs for students: to improve the quality of curriculum and services; to keep pace with cost increases that arise from a changing and possibly more expensive mix of students; or to keep pace with the relatively higher costs of education for emerging and new technologies. Fees should not simply substitute for public tax revenues.

If new fees are imposed, the loss of enrollment in some districts could be dramatic. In other districts, unmet demand could result in the enrollment loss of low income students being offset by the enrollment of high income students who have not heretofore attended. This uncertainty along with the existence of a number of "unfunded ADA" in some districts suggests the need for controls on the amount of total revenue that may be lost by an individual district.

Financial Aid

Any new fee adds to the student's cost of enrollment and, as noted above, must be accompanied by financial aid grants for those unable to pay the fee. Otherwise, access cannot be maintained. Besides the aggregate need for aid grants, attention would need to focus on expanding eligibility criteria to cover low income students who take just one or two courses. Currently, these students are not eligible for financial aid. The need to expand criteria becomes especially important if a uniform fee is imposed at a relatively high level.

Fee Collection

A uniform registration fee charged to all students would be less costly to administer than either a per-unit fee or the surcharge described above. Colleges currently collect a variety of fees for both instruction and ancillary services. Consequently, the added administrative costs of a uniform fee should not be significant. Added requirements would include greater security, more supervision, and additional procedures for refunds, among other activities.

The costs of administering a surcharge for those having completed a given number of units or for those not matriculating would be substantial. Either policy requires the collection of transcripts. Analysis of transcript collection and processing for another recent proposal indicated that the approximate first-year workload would total over $3 million statewide. Second-year and ongoing annual costs were estimated to be about two-thirds of first-year costs since computer software would be in place and since transcripts would be on hand for continuing students.

Other services that relate to matriculation, such as individual counseling, assessment, advising, and requiring official applications of all students would add to costs if these services are part of a proposal and are not now being performed.

Failure to cover these added costs would result in further deterioration in community college funding, and, therefore, detract from the very purpose for which fees are being considered.

REFORM EXISTING FEES

Existing fees have tripled since the passage of Proposition 13 (1978). (See Appendix D.) However, many districts still charge less than authorized and there is evidence that tax revenues subsidize these services in many districts. Total fee levels vary substantially from district to district. Students pay for parking in some districts but not in others. Equity in the charging of fees for ancillary services should be sought if the Legislature imposes a general fee for educational services. The most effective way to accomplish this is to mandate fees to cover costs where ancillary services are provided and to accompany these charges with financial aid for those who can't afford the fee.

All but four of the existing fees have a maximum charge stipulated. These limits, in some cases, are less than the cost of the service. None of the limits provide for the costs of collecting and managing the fee. The consequence is that for some fees the cost of collection and management exceeds the revenue derived from the fee.

APPENDIX A

Cost-of-Living Changes

The cost-of-living in 1982, when compared to a 1976 base year, increased overall by 76%. Nearly half of this increase occurred in the three-year period spanning 1979 through 1981. The rate of inflation peaked in 1980 at a 15.5% annual level. Most recent estimates show an inflation rate of about 7% for 1982 (see Table A-1).

Changes in Personal Earnings

Even though per capital earnings of Californians increased by 67% in nominal dollar terms between 1976 and 1981, the increase in constant dollars was less than 2%. (Constant dollars are nominal dollars adjusted for inflation.) Because of the high rate of inflation in the past half decade, the per capital earning power of individuals is at about the same level as in 1976. Earning power peaked in 1979 and gains were eroded in the last two years (see Table A-2).

Another index used to measure earning levels is the capita income of wage and salary earners. Unlike per capita income, this indicator is computed strictly for wage and salary earners, excluding their dependents. This latter index, when translated into constant 1976 dollars, has steadily decreased since 1976. The purchasing power of the average California wage and salary earner today is about 90% of the 1976 level (see Table A-3).

Student Financial Aid

Total financial assistance for community college students in 1981-82 decreased by about $17.4 million, or 18%, compared to 1976-77. During this same five-year period, there was a 177,000, or 14%, increase in total enrollment. When the reduced financial assistance is spread over more students, the average student received $21.51, or 28% less support in 1982 (see Table A-4). Since this loss in support cannot be made up from deteriorated earnings, the result is an overall compounding of the reduced ability of students to finance their college education.

TABLE A-1

Changes in the Consumer Price Index (CPI) for California

Calendar Year	CPI	Percent Change Over Prior Year	Percent Change Over 1976
1976	168.3	--	--
1977	180.2	7.1%	7.1%
1978	194.8	8.1	15.7
1979	215.9	10.8	28.3
1980	249.4	15.5	48.2
1981	276.4	10.8	64.2
1982	295.5(E)	6.9	75.6

Source: California State Department of Finance.
(E): Estimate.

TABLE A-2

Changes in California Per Capita Income

Calendar Year	Dollars Per Capita Income		Percent Change Over Prior Year		Percent Change Over 1977	
	Real	Constant (1976)	Real	Constant (1976)	Real	Constant (1976)
1976	7,155	7,155	--	--	--	--
1977	7,863	7,344	9.9	2.6	9.9	2.6
1978	8,773	7,580	11.6	3.2	22.6	5.9
1979	9,842	7,672	12.2	1.2	37.6	7.2
1980	10,896	7,353	10.7	-4.2	52.3	2.8
1981	11,923	7,260	9.4	-1.3	66.6	1.5

Source: California State Department of Finance.

TABLE A-3

Changes in Per Capita Wage and
Salary Earner Income for California

Calendar Year	Dollar Income		Percent Change Over Prior Year		Percent Change Over 1976	
	Real	Constant (1976)	Real	Constant (1976)	Real	Constant (1976)
1976	11,099	11,099	--	--	--	--
1977	11,881	11,096	7.0	0.0	7.0	0.0
1978	12,673	10,949	6.7	-1.3	14.2	-1.4
1979	13,200	10,290	4.2	-6.0	18.9	-7.3
1980	15,142	10,218	14.7	-0.7	36.4	-7.9
1981	16,444	10,013	8.6	-2.0	48.2	-9.8

Source: California State Department of Finance.

TABLE A-4

Total Financial Aid Received By Community College Students
(Dollars in Millions)

Program	College Students		Change	
	1976-77	1981-82	Dollars	Percent
EOPS Grants	$ 5.3 (E)	$ 8.5(E)	3.2	60.4
All Others	90.4	69.8	-20.6	-22.8
TOTAL	$95.7	$78.3	-17.4	-18.2
Enrollment	1,258,000	1,435,000	177,000	14.1
Aid per Student ($)	$76.07	$54.56	$21.51	-28.2

Source: Specially Funded Programs Unit, Chancellor's Office.
(E): Estimate.

APPENDIX B

ESTIMATED IMPACT OF FEE ALTERNATIVES

Six different fee alternatives are analyzed here:

1) annual fee increase of $20 for all students
2) annual fee increase of $20 for all students with an additional surcharge of $80 for full-time and $48 for part-time students who have completed 70 or more units
3) annual fee increase of $4 per unit for all students
4) annual fee increase of $25 plus $2 per unit for all students
5) annual fee increase of $80 for full-time students and $48 for part-time students
6) annual fee increase of $54 for all students

The first fee increase (of $20) demonstrates the result of a limited, uniform fee, raising approximately $28 million in fee revenue. It produces a 3 percent loss in enrollment for no offsets in financial aid and up to a 2 percent loss for financial aid increases to a level of seven times presently received by the most needy students (see Table B-1).

The second alternative places an added surcharge on 18 percent of all students (those completing more than 70 units). This alternative results in a 4 percent reduction in enrollment if no financial aid offset is provided. The enrollment loss under this proposal decreases to 3 percent if financial aid is provided. This $20 flat fee plus surcharge proposal would gross about $40 million, before making the necessary offsets for management costs, financial aid, and apportionment losses (see Table B-2).

The other four alternatives demonstrate the consequences of higher fees, each charged in a different way but raising between $73 and $83 million and producing a 4 to 5 percent loss in enrollment, assuming that financial aid for the most needy is increased by a factor of 7 (see Table B-3).

The six charts illustrate the consequences for specific kinds of individuals resulting from the six fee alternatives at varying levels of financial aid. Chart 1 illustrates a $20 fee with varying aid levels. Chart 2 shows the change in impact on enrollment categories if a surcharge is added for students who have completed 70 or more units.

Charts 3 through 6 examine the higher fee levels, each chart depicting a different level of financial assistance:

Chart 3 - no financial aid

Chart 4 - additional financial aid from existing sources (primarily Pell Grants)

Chart 5 - additional financial aid from existing sources plus new aid in the amount of four times the aid available to the most needy student group (z = 4)

Chart 6 - additional financial aid from existing sources plus new aid in the amount of seven times the aid available to the most needy student group (z = 7)

The per unit fee impacts younger, full-time students most heavily and older, part-time students with B.A. degrees least of all. The uniform fee, by contrast, produces more even results, although it tends to impact older, part-time students more heavily. The other two fee types produce intermediate results.

All fee alternatives impact low income, self-supporting, minority students more heavily than high income, dependent, nonminority students. Existing financial aid has little impact. Removing the income bias (i.e., achieving the same percentage loss in each income category) requires a "z" value of about seven. For the $20 fee this means added financial aid of about $4 million statewide. A $20 flat fee with a surcharge for students who completed 70 or more units would require about $5 million statewide to achieve the same purpose. For the higher fee levels, as much as $25 million in financial aid (one-fourth of fee revenues) would be required to achieve the financial aid objective of removing the income bias in the new fees. The $4 per unit fee would require the greatest amount of new financial aid while the $54 flat fee would require the least.

This suggests the need for expanded aid criteria, in the event of a high uniform fee, so as to provide needed assistance to self-supporting low income students who take just one or two courses (assuming their objectives are in the public interest).

Tables B-1 and B-2 show the aggregate consequences of the fee alternatives for different levels of financial aid. (Table 2 also illustrates the results of fees for students with 70 or more units or a degree.) The resulting new total revenues for districts and the revenue per ADA depend upon whether fee revenues supplement or substitute for State General Funds. Also of importance is the treatment of "unfunded ADA" whose loss wouldn't cause a drop in apportionment and the added costs attributable to fee and financial aid management workload.

In Tables B-1, B-2 and B-3, the net revenue change, where fee revenues are a supplement, is the total fee revenue reduced by the new student financial aid grants, the costs of distributing aid and of collecting fees, and the apportionment loss. If the fee revenue is assumed to be a substitute, the net revenue change is the apportionment loss. Total revenue prior to instituting fees is the product of the revenue per ADA ($1,944) and the estimated total ADA generated (758,282).

These estimates are based on research findings and simulation methodology detailed in the Chancellor's Office Analysis of Tuition and Fees, December, 1981.

TABLE B-1

Impact of $20 Fee Levied on All Students

Level of Financial Aid[1/]	Z=0	Z=1	Z=4	Z=7
ENROLLMENT				
Before Fee	1,435,745	1,435,745	1,435,745	1,435,745
After Fee	1,399,051	1,400,173	1,403,538	1,406,903
Loss	36,694	35,572	32,207	28,842
%	-2.6	-2.5	-2.2	-2.0
ADA				
Before Fee	758,282	758,282	758,282	758,282
After Fee	739,558	740,663	743,979	747,295
Loss	18,724	17,619	14,303	10,987
%	-2.5	-2.3	-1.9	-1.4
REVENUE/EXPENDITURE (IN MILLIONS)				
Fee Revenue	28.0	28.0	28.0	28.1
Existing Student Aid	0	(0.7)	(0.7)	(0.7)
New Student Aid	0	0	2.1	4.2
Aid Distribution	0	0	0.2	0.4
Fee Collection	1.0	1.0	1.0	1.0
Apportionment	22.0	20.5	16.3	12.1
Net Revenue Change				
If Supplement	5.0	6.5	8.4	10.4
If Substitute	-22.0	-20.5	-16.3	-12.1
REVENUE PER ADA				
Before Fee	$1,944	$1,944	$1,944	$1,944
After Fee				
If Supplement	$2,000	$1,999	$1,993	$1,936
If Substitute	$1,963	$1,963	$1,959	$1,956

1/ The Z values indicate the aid level compared to that presently provided under existing programs to the most needy students (i.e., Z=0 means no financial aid offset; Z=1 represents existing levels of aid and participation; Z=4 indicates 4 times existing levels of aid provided to the most needy students, etc..)

TABLE B-2

Impact of $20 Fee Levied On All Students With An Additional Charge of $80 for Full-time and $20 for Part-time Students Who Have Completed 70 or More Units

Level of Financial Aid[1]	Z=0	Z=1	Z=4	Z-7
ENROLLMENT				
Before Fee	1,435,745	1,435,745	1,435,745	1,435,745
After Fee	1,382,464	1,383,742	1,387,578	1,391,413
Loss	53,281	52,003	48,167	44,332
%	-3.7	3.6	3.4	3.1
ADA				
Before Fee	758,282	758,282	758,282	758,282
After Fee	733,144	734,613	739,019	743,425
Loss	25,138	23,669	19,263	14,857
%	-3.3	-3.1	-2.5	-2.0
REVENUE/EXPENDITURE (IN MILLIONS)				
Fee Revenue	39.9	39.9	40.1	40.2
Existing Student Aid	0	(0.8)	(0.8)	(0.8)
New Student Aid	0	0	2.4	4.8
Aid Distribution[2]	0	0	0.2	0.5
Fee Collection[3]	5.0	5.0	5.0	5.0
Apportionment	28.9	27.3	22.4	17.6
Net Revenue Change				
If Supplement	6.0	7.6	10.1	12.3
If Substitute	-28.9	-27.3	-22.4	-17.6
REVENUE PER ADA				
Before Fee	$1,944	$1,944	$1,944	$1,944
After Fee				
If Supplement	$2,019	$2,017	$2,008	$1,999
If Substitute	$1,971	$1,969	$1,964	$1,959

1/ See Footnote for Table B-1.
2/ Aid distribution costs are assumed to be 10% of new grants.
3/ Fee collection cost estimates are based on $2 million for collections and $3 million for transcript work.

TABLE B-3

Impact of Alternative Fee Proposals
With New Student Financial Aid (Z=7)[1/]

	$4/Unit	$25 + $2/Unit	$80 Ft. $48 Ft.	$54
ENROLLMENT				
Before Fee	1,435,745	1,435,745	1,435,745	1,435,745
After Fee	1,374,194	1,368,917	1,367,303	1,357,871
Loss	61,551	66,828	68,442	77,874
%	4.3	4.7	4.8	5.4
ADA				
Before Fee	758,282	758,282	758,282	758,282
After Fee	730,493	730,654	732,378	728,618
Loss	27,789	27,628	25,904	29,664
%	3.7	3.6	3.4	3.9
REVENUE/EXPENDITURE (IN MILLIONS)				
Fee Revenue	$84.9	$76.7	$75.6	$73.3
Existing Student Aid	(4.2)	(3.0)	(2.8)	(1.9)
New Student Aid	25.2	17.8	16.8	11.3
Aid Distribution[2/]	2.5	1.8	1.7	1.1
Fee Collection[3/]	2.0	2.0	2.0	1.0
Apportionment	-31.0	-30.6	-28.5	-32.6
Net Revenue Change				
If Supplement	24.2	24.5	26.6	27.3
If Substitute	-31.0	-30.6	-28.5	-32.6
REVENUE PER ADA				
Before Fee	$1,944	$1,944	$1,944	$1,944
After Fee				
If Supplement	$2,051	$2,051	$2,049	$2,061
If Substitute	$1,976	$1,976	$1,974	$1,978

1/ Assumes an increased financial aid level equal to seven times that presently received by most needy students under existing programs.

2/ Aid distribution costs are assumed to be 10% of the level of additional grants.

3/ Fee collection cost estimates are based on $1 million for a flat fee and twice that level for a fee tied to academic load.

CHART 1

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT

ESTIMATES OF PERCENT LOSS IN SPECIFIC ENROLLMENTS
FROM $20 FEE FOR FULLTIME AND PARTTIME STUDENTS

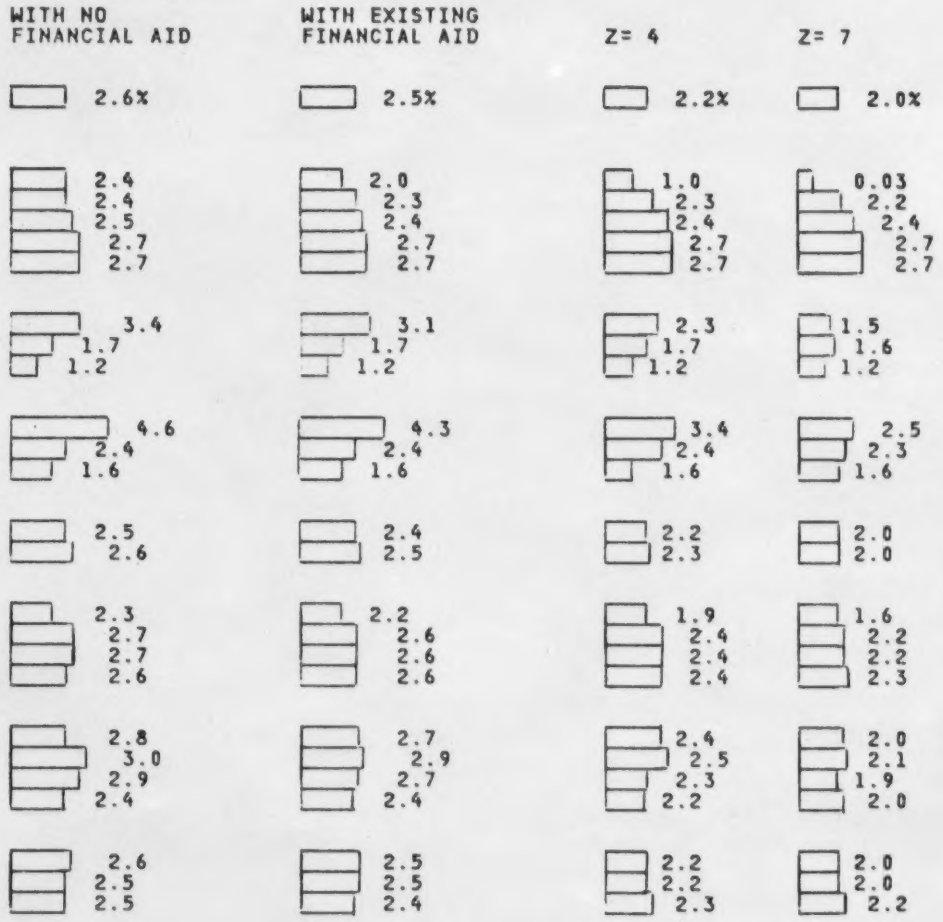


CHART 2

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT

ESTIMATED PERCENT LOSS OF ENROLLMENT FROM A $20 FLAT FEE LEVIED ON ALL STUDENTS WITH AN ADDITIONAL SURCHARGE OF $80 FOR FULLTIME AND $48 FOR PARTTIME STUDENTS WHO HAVE COMPLETED 70 OR MORE UNITS

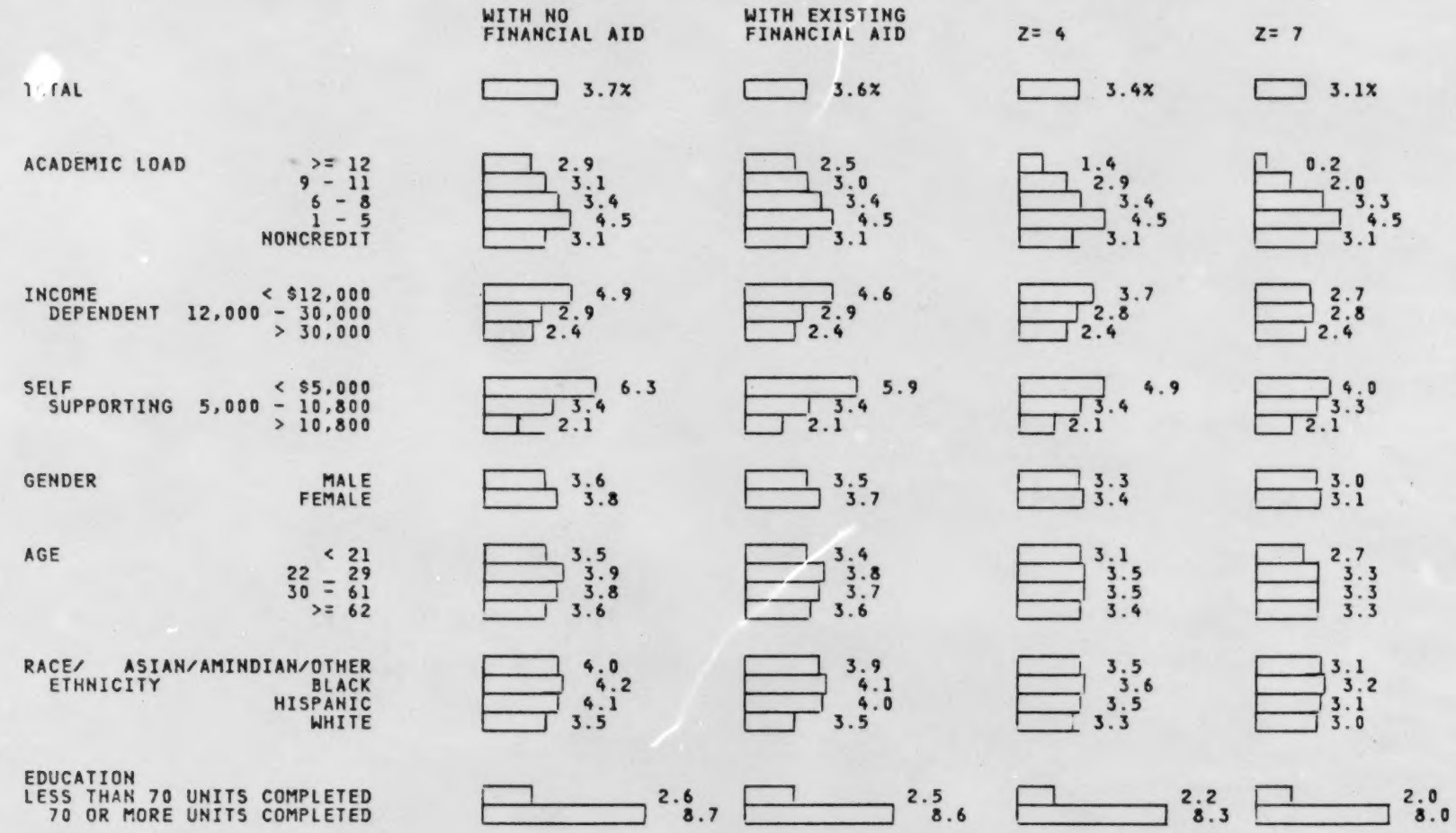


CHART 3

ESTIMATES OF PERCENT LOSS IN SPECIFIC ENROLLMENTS
FROM ALTERNATIVE FEE INCREASES
WITH NO FINANCIAL AID

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT

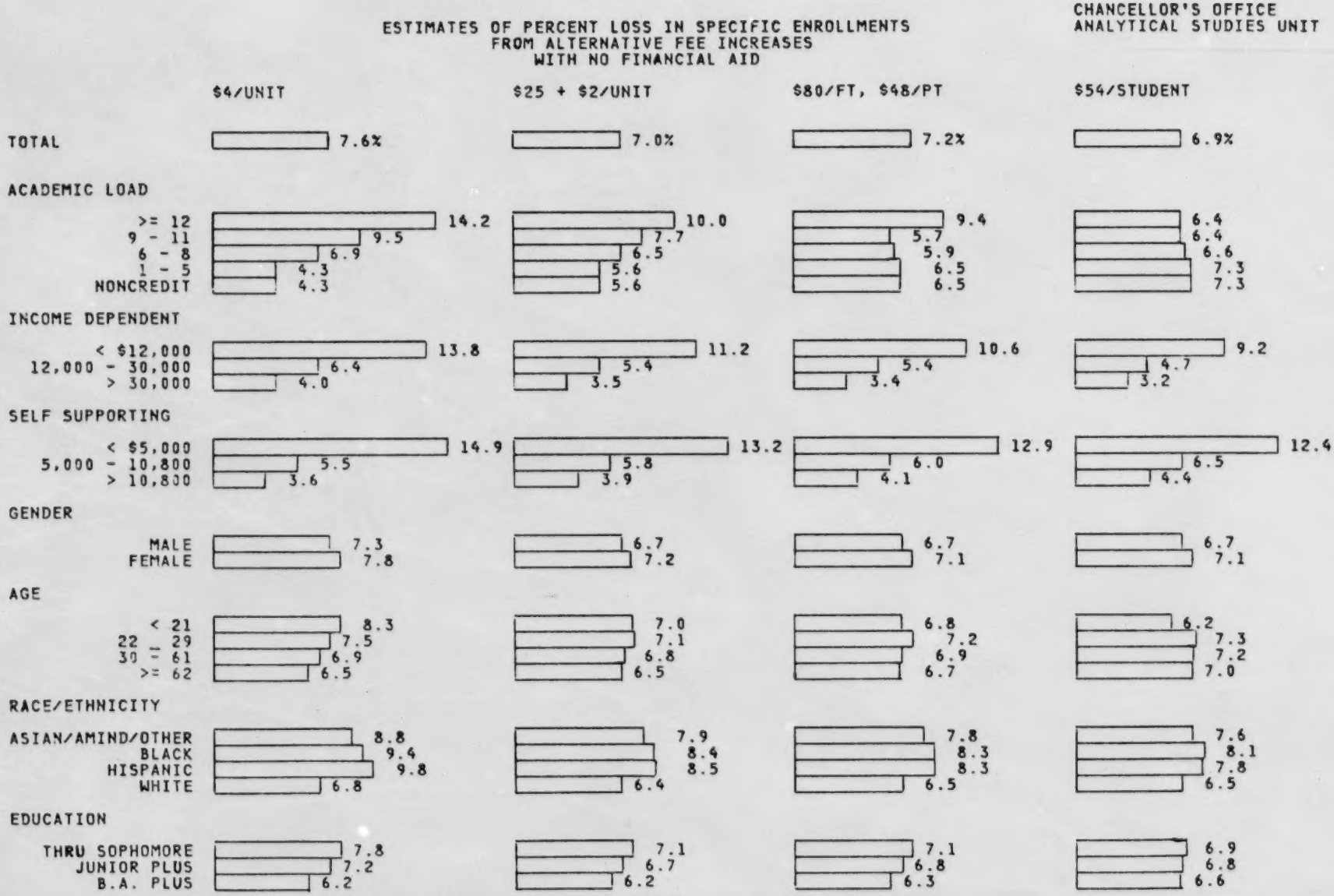
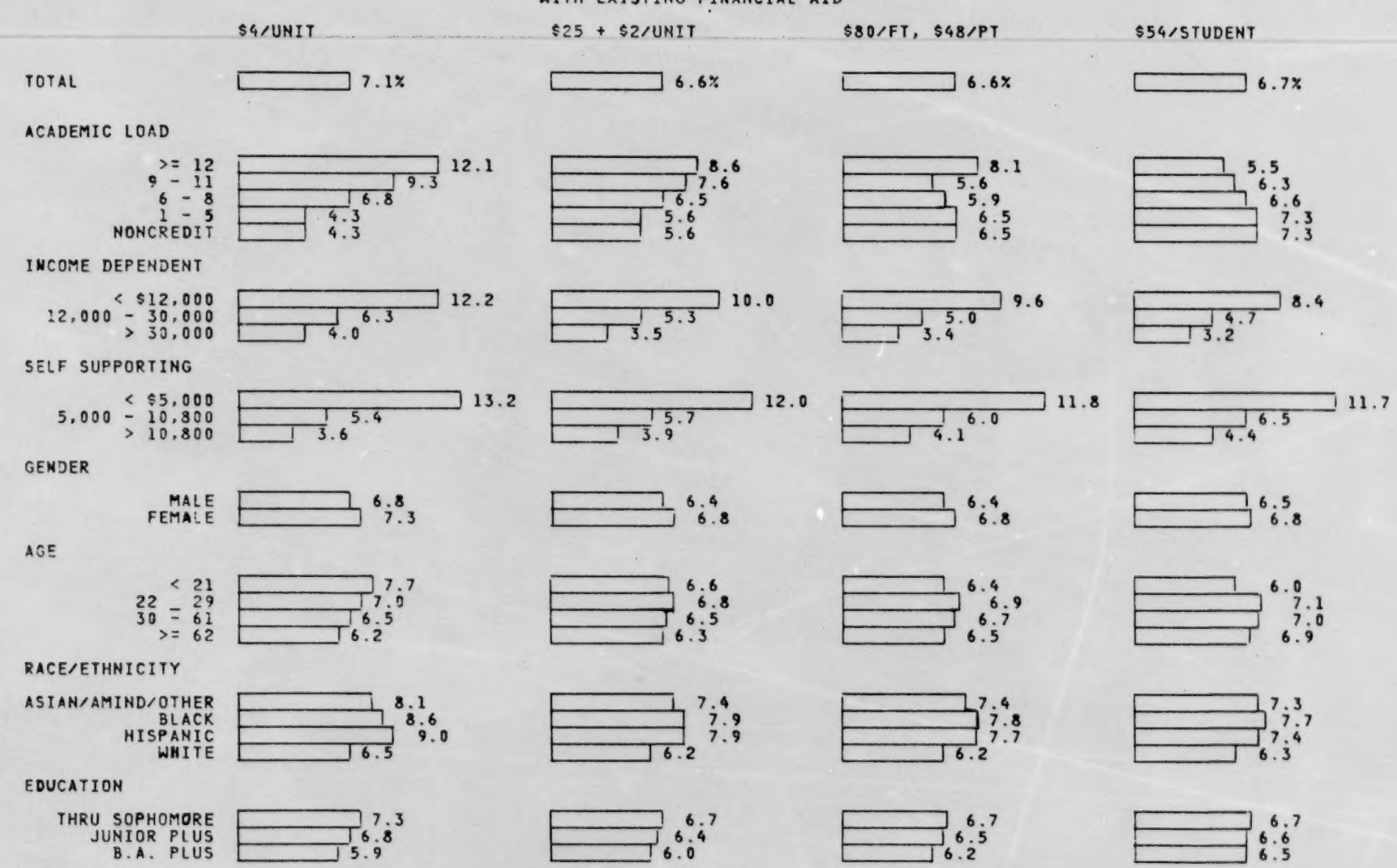


CHART 4

ESTIMATES OF PERCENT LOSS IN SPECIFIC ENROLLMENTS
FROM ALTERNATIVE FEE INCREASES
WITH EXISTING FINANCIAL AID

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT



32

33

CHART 5

ESTIMATES OF PERCENT LOSS IN SPECIFIC ENROLLMENTS
FROM ALTERNATIVE FEE INCREASES
Z= 4

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT

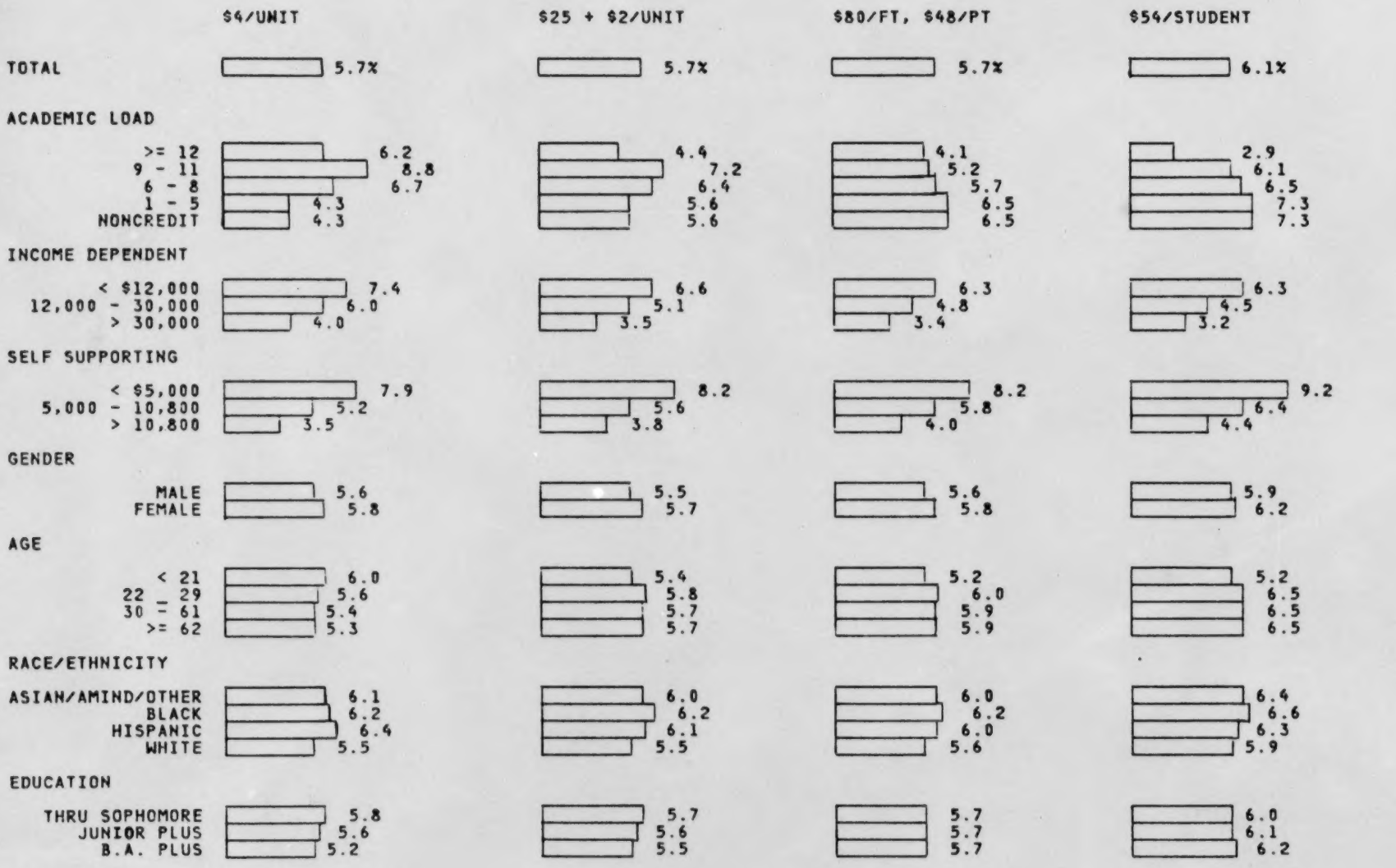
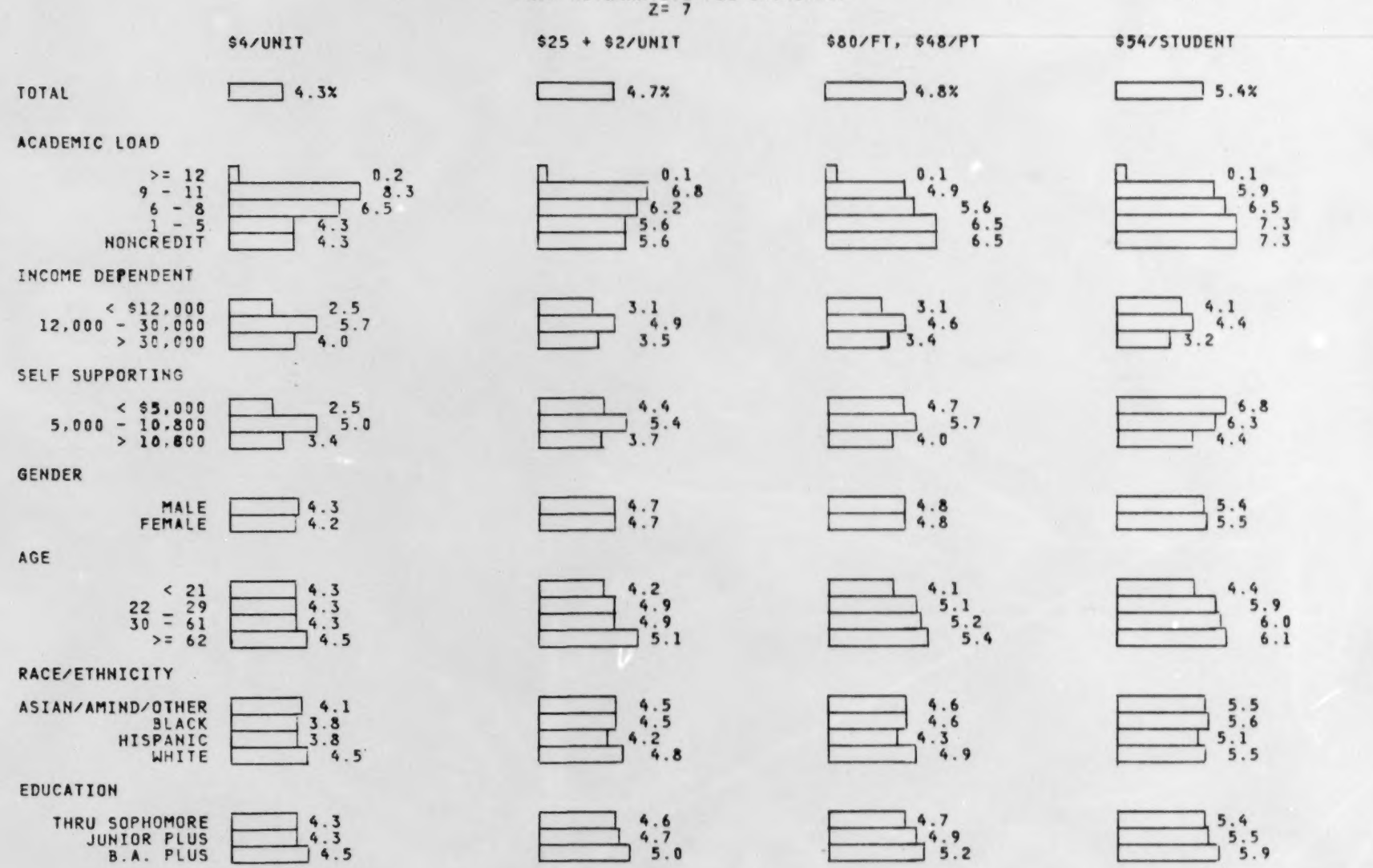


CHART 6

ESTIMATES OF PERCENT LOSS IN SPECIFIC ENROLLMENTS FROM ALTERNATIVE FEE INCREASES
Z= 7

CHANCELLOR'S OFFICE
ANALYTICAL STUDIES UNIT



APPENDIX C

FISCAL CRISIS

Current Conditions

Community college tax revenues depend upon growth in the state's economy, tax policies, the share of state General Funds allocated to the colleges, and trends in federal aid to education.

Most experts feel it is not possible to accurately forecast the state's economy even during the next two years. (It's necessary to project economic conditions for both 1983 and 1984 in order to estimate possible 1983-84 tax revenues.) Even so, the State Finance Commission projected state General Fund revenues to grow by less than three percent between 1981-82 and 1982-83 because of the recession, low inflation, loss of federal revenue sharing funds, and reduced interest earnings from a smaller General Fund surplus (see June 1982 Quarterly Forecast).

It was expected that the economy would begin to recover from the current recession in the third quarter of 1982. This recovery did not occur. Recent data trends for the gross national product, personal income, sales, unemployment, and housing starts are all below previous expectations.

No cost-of-living adjustment (COLA) was provided for 1982-83 community college funding. Current estimates point to a possible $1 billion State General Fund budget deficit during 1982-83. If taxes aren't increased and if this deficit is applied evenly across those programs supported by the General Fund, community colleges could face a reduction in current-year funding of as much as eight percent.

Future state tax policies, of course, are uncertain as is the share of state General Funds that community colleges can expect. The community college share has declined in recent years due in part to issues surrounding reserves, noncredit classes, and student fees. As these issues are addressed, it is possible that the community college share could increase.

No significant increase, possibly even decreases, in federal aid to community colleges should be anticipated for the next several years.

Community college enrollment growth exceeded four percent last year. Preliminary data suggest that there may be a four percent decline in enrollment this fall due largely to funding constraints. Community colleges were projected by the Department of Finance to grow at between one and two percent annually for the next three years, followed by annual growth rates of less than one percent during the second half of the decade (see Table C-1). Potential enrollment growth is likely to be higher than these estimates unless the economy recovers significantly and the influx of refugees into California declines.

Prices in California are projected to grow at seven or eight percent in 1982 and at a slightly lower rate in 1983. These rates could be

higher if the economic recovery is stronger than expected. However, a return to double-digit inflation is unlikely unless the economy is "shocked" by external factors such as a world oil crisis. While higher inflation means higher tax revenues (other things being equal), higher inflation also means greater pressure for higher staff salary increases in community colleges.

Past Conditions

During the past decade, community college buying power (constant dollar revenues per student) fluctuated until it peaked in 1977-78. (See tables C-2 and C-3.) In the last five years, following Proposition 13, college buying power has declined by nearly one-third to about the level that existed in 1970. Over the same period, community college budget reserves declined by more than one-third, when adjusted for enrollment and price changes (see Table C-4).

The combined effect of fewer budget reserves and less annual income puts community colleges in their most precarious fiscal position in over a decade. Such statewide comparisons suggest even greater concern when it is noted that while a number of community college districts are relatively well-off, about one to two dozen districts are in extreme difficulty, as assessed by most reasonable measures of fiscal capability. These difficulties are compounded further by the fact that today's students seem to require relatively more college resources. Today's students are relatively less prepared (therefore requiring more high-cost remediation) and more often enrolled in high-cost occupational programs than were the students of ten years ago.

TABLE C-1

PROJECTIONS OF TOTAL FALL ENROLLMENT AND
ANNUAL AVERAGE TOTAL WSCH

CALIFORNIA COMMUNITY COLLEGES

FISCAL YEAR	AVERAGE ANNUAL WSCH	% CHANGE FROM PREVIOUS YEAR	TOTAL ENROLLMENT	% CHANGE FROM PREVIOUS YEAR
1980-81	12,114,988	---	1,383,236	---
1981-82	12,701,400	4.8	1,416,160	2.4
1982-83	12,918,900	1.7	1,442,140	1.8
1983-84	13,094,200	1.4	1,465,200	1.6
1984-85	13,207,600	0.9	1,482,560	1.2
1985-86	13,261,600	0.4	1,493,880	0.7
1986-87	13,272,900	0.1	1,500,110	0.4
1987-88	13,282,000	0.1	1,505,130	0.3
1988-89	13,301,600	0.2	1,511,000	0.4
1989-90	13,327,900	0.2	1,516,450	0.4
1990-91	13,237,200	0.1	1,510,720	0.4

SOURCE: State Department of Finance, 1981

TABLE C-2

COMMUNITY COLLEGE
REVENUES AND ADA

	FISCAL YEAR	ADA NO.	ADA % CHANGE	Revenue ($ Million) STATE	LOCAL*	FEDERAL	TOTAL	% CHANGE
(Est.)	1981-82	756,336	4.2	$ 1,165	$ 511	$ 93	$ 1,769	5.2
	1980-81	725,786	9.2	1,144	405	132	1,681	13.3
	1979-80	664,762	4.6	1,023	345	116	1,484	12.4
	1978-79	635,372	-11.6	851	377	92	1,320	- 6.6
	1977-78	718,303	- 0.5	585	725	103	1,413	12.2
	1976-77	721,884	- 6.1	536	628	95	1,259	10.7
	1975-76	768,902	10.8	492	556	89	1,136	13.6
	1974-75	694,096	13.9	429	505	66	1,000	19.6
	1973-74	609,459	6.3	349	435	52	836	23.8
	1972-73	573,593	3.9	221	408	46	675	11.9
	1971-72	552,208	6.7	203	359	41	603	11.2
	1970-71	517,339	---	186	324	32	542	----

SOURCE: Chancellor's Office, California Community Colleges, 1982.

*Includes student fees and other local revenue sources as well as current property taxes.

TABLE C-3

STATE AND LOCAL REVENUE PER ADA
IN ACTUAL AND CONSTANT DOLLARS
1971-72 to 1981-82
CALIFORNIA COMMUNITY COLLEGES

FISCAL YEAR	REVENUE PER ADA	COMMUNITY COLLEGE PRICE INDEX	REVENUE PER ADA IN CONSTANT $	% CHANGE FROM PREVIOUS YEAR	CALIF. CONSUMER CONSUMER PRICE INDEX (EQUATED)	REVENUE PER ADA IN CONSTANT $	% CHANGE FROM PREVIOUS YEAR
1981-82	2,216	1.000	2,216	- (3.7)	1.000	2,216	- (6.3)
1980-81	2,134	.927	2,302	- (6.4)	.902	2,366	- (10.5)
1979-80	2,058	.837	2,459	- (3.2)	.779	2,642	- (3.8)
1978-79	1,933	.761	2,540	- (1.6)	.704	2,746	- (1.9)
1977-78	1,824	.707	2,580	6.0	.652	2,798	5.6
1976-77	1,613	.663	2,433	11.2	.609	2,649	11.4
1975-76	1,363	.623	2,188	- (5.2)	.573	2,378	- (8.3)
1974-75	1,346	.583	2,309	- (3.4)	.519	2,594	- (5.0)
1973-74	1,286	.538	2,390	9.4	.471	2,730	10.8
1972-73	1,097	.502	2,185	2.2	.445	2,465	4.4
1971-72	1,018	.476	2,139	- (2.2)	.431	2,362	- (0.6)
1970-71	986	.451	2,186	--	.415	2,376	--

SOURCE: Chancellor's Office, 1982.

TABLE C-4

NET ENDING BALANCE, TOTAL INCOME
BALANCE PER ADA AND AS A PERCENT OF INCOME
CALIFORNIA COMMUNITY COLLEGES
1970-71 THROUGH 1980-81

FISCAL YEAR	AVERAGE DAILY ATTENDANCE	NET ENDING BALANCE (000)	INCOME (000)	NET ENDING BALANCE PER ADA		NET ENDING BALANCE AS PERCENT OF INCOME
				ACTUAL	CONSTANT 1980-81	
1967-68	326,585	$ 158,919	$ 378,485	$486.61	$1,199	42 %
1968-69	364,183	162,212	417,299	445.41	1,033	39
1969-70	399,791	154,034	461,748	385.29	839	33
1970-71	517,339	218,235	628,851	421.84	866	35
1971-72	522,208	220,073	675,276	421.43	820	33
1972-73	576,593	248,600	754,792	431.15	796	33
1973-74	609,459	330,876	922,698	542.90	936	36
1974-75	694,096	381,723	1,119,279	549.96	874	34
1975-76	772,704	387,843	1,243,236	500.89	745	31
1976-77	721,884	400,942	1,431,807	555.41	777	28
1977-78	718,303	430,227	1,599,510	598.95	785	27
1978-79	635,372	416,245	1,485,210	655.12	798	28
1979-80	670,623	420,054	1,700,894	626.36	694	25
1980-81	725,786	405,096	1,807,341	558.15	558	22

SOURCE: Analytical Studies Unit
Chancellor's Office
California Community Colleges
March 17, 1982

APPENDIX D

EXISTING STUDENT FEES, CALIFORNIA COMMUNITY COLLEGES

The amount of fees per student currently charged in California Community Colleges appears to be about three times the level charged prior to the passage of Proposition 13 (1978). Fees per student had increased from $7 to $12 through last year (see Table D-1). Preliminary reports from 50 districts suggest there will be a 70% increase in fee charges during the current year (see Table D-2). If so, the average fee per student will be just over $20, assuming enrollments are relatively unchanged from last year.

The largest specific fee increases are for parking and instructional materials. Virtually all of the fee increase is accounted for by these two fees and by the health fee. The other 14 fees authorized in the Education Code for ancillary services have increased at a much smaller rate.

Variation among districts in use of the major fees and student charges has narrowed (see Table D-3). However, 40% of the districts still do not charge parking fees and about one-third do not charge health fees. Existing statutes make it permissive for districts to levy fees for eighteen different types of ancillary services provided, as well as community service class fees and nonresident tuition (see Table D-4).

TABLE D-1

STUDENT CHARGES

1976-77 to 1981-82

YEAR	TOTAL FEE REVENUE 1/ (in $ millions)	ENROLLMENT	FEE PER ENROLLMENT
1981-82 (est.)	$ 17.1	1,435,700	$ 11.91
1980-81	13.6	1,383,200	9.83
1979-80	11.2	1,248,500	8.97
1978-79	9.8	1,161,600	8.44
1977-78	10.8	1,322,100	7.56
1976-77	8.8	1,257,700	7.00

1/ Excludes nonresident tuition and fees for Handicapped Centers.

SOURCE: Chancellor's Office Information System.

TABLE D-2

STUDENT CHARGES

REVENUE ESTIMATES

	REVENUE[1] (in $ millions)		% CHANGE
	81-82	82-83	
TOTAL	$ 40.5	$ 50.6	25%
Nonresident Tuition	20.9	19.7	- 1
Community Service Fees	6.1	7.8	28
Class Fees	0.3	0.6	100
Other Fees	13.2	22.5	70
Parking	2.1	6.9	228
Health	3.8	5.3	39
Instructional Materials	3.3	5.8	76
All Other	4.0	4.5	13

[1] 50 districts reporting

SOURCE: Association of California Community College Administrators (ACCCA) Finance Commission Survey of Fees (November 1982)

TABLE D-3

USE OF FEES

	PERCENT OF DISTRICTS[1] USING FEES	
	81-82	82-83
Nonresident Tuition	100%	100%
Community Service Fees	75	84
Class Fees	32	34
Other Fees		
Parking	36	60
Health	66	68
Instructional Materials	72	84

[1] 50 districts reporting

SOURCE: ACCCA Finance Commission Survey of Fees (November 1982)

APPENDIX D

EXISTING STUDENT FEES, CALIFORNIA COMMUNITY COLLEGES

The amount of fees per student currently charged in California Community Colleges appears to be about three times the level charged prior to the passage of Proposition 13 (1978). Fees per student had increased from $7 to $12 through last year (see Table D-1). Preliminary reports from 50 districts suggest there will be a 70% increase in fee charges during the current year (see Table D-2). If so, the average fee per student will be just over $20, assuming enrollments are relatively unchanged from last year.

The largest specific fee increases are for parking and instructional materials. Virtually all of the fee increase is accounted for by these two fees and by the health fee. The other 14 fees authorized in the Education Code for ancillary services have increased at a much smaller rate.

Variation among districts in use of the major fees and student charges has narrowed (see Table D-3). However, 40% of the districts still do not charge parking fees and about one-third do not charge health fees. Existing statutes make it permissive for districts to levy fees for eighteen different types of ancillary services provided, as well as community service class fees and nonresident tuition (see Table D-4).

TABLE D-1

STUDENT CHARGES

1976-77 to 1981-82

YEAR	TOTAL FEE REVENUE 1/ (in $ millions)	ENROLLMENT	FEE PER ENROLLMENT
1981-82 (est.)	$ 17.1	1,435,700	$ 11.91
1980-81	13.6	1,383,200	9.83
1979-80	11.2	1,248,500	8.97
1978-79	9.8	1,161,600	8.44
1977-78	10.8	1,322,100	7.56
1976-77	8.8	1,257,700	7.00

1/ Excludes nonresident tuition and fees for Handicapped Centers.

SOURCE: Chancellor's Office Information System.

ERIC Clearinghouse for Junior Colleges
96 Powell Library Building
University of California
Los Angeles, California 90024

JAN 21 1983